

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office..... JUL 21 1993

Returned to applicant for correction.....

Corrected application filed.....

Map filed..... JUL 21 1993

The applicant..... Restoration Minerals Company c/o Gary L. Grauberger

P.O. Box 2921, of Breckenridge,
Street and No. or P.O. Box No. City or Town

CO, 80424, hereby makeS... application for permission to appropriate the public
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.).....

1. The source of the proposed appropriation is..... an underground source
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is..... 1.5 C.F.S......second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for..... Kining, Milling, and Domestic purposes
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under No. 12. "Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point..... within the NW¼ NW¼ of Section 23,
Describe as being within a 40-acre subdivision of public
T. 30N., R. 38E., M.D.B. & M.; or at a point from which the NW corner of Section 23
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
bears N 65° 52' W a distance of 872.0 feet.

6. Place of use..... All of Sections 10, 11, 14, 15, 22, & 23 in T. 30N., R. 38E., M.D.B. & M.
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about..... January 1st.....and end about..... December 31st....., of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)..... Drill well, install pump, pipelines and
State manner in which water is to be diverted, i.e. diversion structure, ditches and

storage tank
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works..... in excess of \$10,000.00

10. Estimated time required to construct works..... 3 years

If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use..... 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

Desert-Mountain, Inc. as Agent
By s/John H. Milton III
146 W. Second St.
Winnemucca, NV 89445

Compared..... bc/bc jr/bk

Protested.....

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

(CONTINUED ON PAGE)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.5cubic feet per second....., but not to exceed 672.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... August 23, 1997

Proof of completion of work shall be filed before..... September 23, 1997

Application of water to beneficial use shall be filed on or before..... August 23, 2000

Proof of the application of water to beneficial use shall be filed on or before..... September 23, 2000

Map in support of proof of beneficial use shall be filed on or before..... N/A

Completion of work filed.....

Proof of beneficial use filed.....

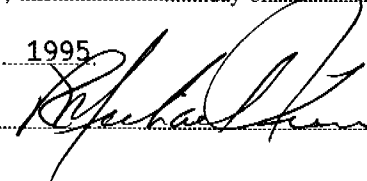
Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.
State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this..... 23rd day of..... August

A.D. 1995


State Engineer

Attested by 62565 1.5

(PERMIT TERMS CONTINUED)

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and upon the cessation of mining and milling all rights granted herein shall revert back to the source from which it was appropriated, except for any water requirements that may be needed for any closure plan.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.